

SECOND REGULAR SESSION

# SENATE BILL NO. 534

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROMINE.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3914S.011

## AN ACT

To repeal sections 160.400, 160.403, 160.405, 160.408, 160.410, 160.415, 160.417, 160.420, and 160.425, RSMo, and to enact in lieu thereof eight new sections relating to charter schools.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 160.400, 160.403, 160.405, 160.408, 160.410, 160.415, 160.417, 160.420, and 160.425, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 160.400, 160.403, 160.405, 160.410, 160.415, 160.417, 160.420, and 160.425, to read as follows:

160.400. 1. A charter school is **[an independent] a semi-autonomous** public school.

2. **[Except as further provided in subsection 4 of this section,]** Charter schools may be operated **[only:**

(1) In a metropolitan school district;

(2) In an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants;

(3) In a school district that has been classified as unaccredited by the state board of education;

(4) In a school district that has been classified as provisionally accredited by the state board of education and has received scores on its annual performance report consistent with a classification of provisionally accredited or unaccredited for three consecutive school years beginning with the 2012-13 accreditation year under the following conditions:

(a) The eligibility for charter schools of any school district whose provisional accreditation is based in whole or in part on financial stress as

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

17 defined in sections 161.520 to 161.529, or on financial hardship as defined by rule  
18 of the state board of education, shall be decided by a vote of the state board of  
19 education during the third consecutive school year after the designation of  
20 provisional accreditation; and

21 (b) The sponsor is limited to the local school board or a sponsor who has  
22 met the standards of accountability and performance as determined by the  
23 department based on sections 160.400 to 160.425 and section 167.349 and  
24 properly promulgated rules of the department; or

25 (5) In a school district that has been accredited without provisions,  
26 sponsored only by the local school board; provided that no board with a current  
27 year enrollment of one thousand five hundred fifty students or greater shall  
28 permit more than thirty-five percent of its student enrollment to enroll in charter  
29 schools sponsored by the local board under the authority of this subdivision,  
30 except that this restriction shall not apply to any school district that  
31 subsequently becomes eligible under subdivision (3) or (4) of this subsection or to  
32 any district accredited without provisions that sponsors charter schools prior to  
33 having a current year student enrollment of one thousand five hundred fifty  
34 students or greater.

35 3. Except as further provided in subsection 4 of this section, the following  
36 entities are eligible to sponsor charter schools:

37 (1) The school board of the district in any district which is sponsoring a  
38 charter school as of August 27, 2012, as permitted under subdivision (1) or (2) of  
39 subsection 2 of this section, the special administrative board of a metropolitan  
40 school district during any time in which powers granted to the district's board of  
41 education are vested in a special administrative board, or if the state board of  
42 education appoints a special administrative board to retain the authority granted  
43 to the board of education of an urban school district containing most or all of a  
44 city with a population greater than three hundred fifty thousand inhabitants, the  
45 special administrative board of such school district;

46 (2) A public four-year college or university with an approved teacher  
47 education program that meets regional or national standards of accreditation;

48 (3) A community college, the service area of which encompasses some  
49 portion of the district;

50 (4) Any private four-year college or university with an enrollment of at  
51 least one thousand students, with its primary campus in Missouri, and with an  
52 approved teacher preparation program;

53 (5) Any two-year private vocational or technical school designated as a  
54 501(c)(3) nonprofit organization under the Internal Revenue Code of 1986, as  
55 amended, and accredited by the Higher Learning Commission, with its primary  
56 campus in Missouri;

57 (6) The Missouri charter public school commission created in section  
58 160.425.

59 4. Changes in a school district's accreditation status that affect charter  
60 schools shall be addressed as follows, except for the districts described in  
61 subdivisions (1) and (2) of subsection 2 of this section:

62 (1) As a district transitions from unaccredited to provisionally accredited,  
63 the district shall continue to fall under the requirements for an unaccredited  
64 district until it achieves three consecutive full school years of provisional  
65 accreditation;

66 (2) As a district transitions from provisionally accredited to full  
67 accreditation, the district shall continue to fall under the requirements for a  
68 provisionally accredited district until it achieves three consecutive full school  
69 years of full accreditation;

70 (3) In any school district classified as unaccredited or provisionally  
71 accredited where a charter school is operating and is sponsored by an entity other  
72 than the local school board, when the school district becomes classified as  
73 accredited without provisions, a charter school may continue to be sponsored by  
74 the entity sponsoring it prior to the classification of accredited without provisions  
75 and shall not be limited to the local school board as a sponsor.

76 A charter school operating in a school district identified in subdivision (1) or (2)  
77 of subsection 2 of this section may be sponsored by any of the entities identified  
78 in subsection 3 of this section, irrespective of the accreditation classification of  
79 the district in which it is located. A charter school in a district described in this  
80 subsection whose charter provides for the addition of grade levels in subsequent  
81 years may continue to add levels until the planned expansion is complete to the  
82 extent of grade levels in comparable schools of the district in which the charter  
83 school is operated.

84 5. The mayor of a city not within a county may request a sponsor under  
85 subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider  
86 sponsoring a "workplace charter school", which is defined for purposes of sections  
87 160.400 to 160.425 as a charter school with the ability to target prospective  
88 students whose parent or parents are employed in a business district, as defined

89 in the charter, which is located in the city] **in any school district sponsored**  
90 **only by the school board of the district or by a special administrative**  
91 **board for the district. This section shall not be construed to affect**  
92 **charter contracts that are in effect on the effective date of this act until**  
93 **the expiration of such contract in effect on the effective date of this act.**

94 [6.] 3. No sponsor shall receive from an applicant for a charter school any  
95 fee of any type for the consideration of a charter, nor may a sponsor condition its  
96 consideration of a charter on the promise of future payment of any kind.

97 [7.] 4. The charter school shall be organized as a Missouri nonprofit  
98 corporation incorporated pursuant to chapter 355. The charter provided for  
99 herein shall constitute a contract between the sponsor and the charter school.

100 [8. As a nonprofit corporation incorporated pursuant to chapter 355, the  
101 charter school shall select]

102 5. The method for election of officers [pursuant to section 355.326 based  
103 on the class of corporation selected] **of the charter school shall be mutually**  
104 **agreed to by the charter school and sponsoring school board and shall**  
105 **comply with the provisions of chapter 355.** Meetings of the governing board  
106 of the charter school shall be subject to the provisions of sections 610.010 to  
107 610.030.

108 [9.] 6. A sponsor of a charter school, its agents and employees are not  
109 liable for any acts or omissions of a charter school that it sponsors, including acts  
110 or omissions relating to the charter submitted by the charter school, the operation  
111 of the charter school and the performance of the charter school.

112 [10.] 7. A charter school may affiliate with a four-year college or  
113 university, including a private college or university, or a community college as  
114 otherwise specified in subsection 3 of this section when its charter is granted by  
115 a sponsor other than such college, university or community college. Affiliation  
116 status recognizes a relationship between the charter school and the college or  
117 university for purposes of teacher training and staff development, curriculum and  
118 assessment development, use of physical facilities owned by or rented on behalf  
119 of the college or university, and other similar purposes. A university, college or  
120 community college may not charge or accept a fee for affiliation status.

121 [11. The expenses associated with sponsorship of charter schools shall be  
122 defrayed by the department of elementary and secondary education retaining one  
123 and five-tenths percent of the amount of state and local funding allocated to the  
124 charter school under section 160.415, not to exceed one hundred twenty-five

125 thousand dollars, adjusted for inflation.]

126           8. The department of elementary and secondary education shall [remit the  
127 retained funds for each charter school to the school's sponsor, provided the  
128 sponsor remains in good standing by fulfilling its sponsorship obligations under  
129 sections 160.400 to 160.425 and 167.349 with regard to each charter school it  
130 sponsors, including appropriate demonstration of the following:

131           (1) Expends no less than ninety percent of its charter school sponsorship  
132 funds in support of its charter school sponsorship program, or as a direct  
133 investment in the sponsored schools;

134           (2)] **monitor each school board's sponsorship and ensure the**  
135 **school board:**

136           (1) Maintains a comprehensive application process that follows fair  
137 procedures and rigorous criteria and grants charters only to those developers who  
138 demonstrate strong capacity for establishing and operating a quality charter  
139 school;

140           [(3)] (2) Negotiates contracts with charter schools that clearly articulate  
141 the rights and responsibilities of each party regarding school autonomy, expected  
142 outcomes, measures for evaluating success or failure, performance consequences  
143 [based on the annual performance report], and other material terms;

144           [(4)] (3) Conducts contract oversight that evaluates performance,  
145 monitors compliance, informs intervention and renewal decisions, and ensures  
146 autonomy provided under applicable law; and

147           [(5)] (4) Designs and implements a transparent and rigorous process that  
148 uses comprehensive data to make merit-based renewal decisions.

149           [12. Sponsors receiving funds under subsection 11 of this section shall be  
150 required to submit annual reports to the joint committee on education  
151 demonstrating they are in compliance with subsection 17 of this section.

152           13. No university, college or community college shall grant a charter to  
153 a nonprofit corporation if an employee of the university, college or community  
154 college is a member of the corporation's board of directors.

155           14.] 9. No sponsor shall grant a charter under sections 160.400 to  
156 160.425 and 167.349 without ensuring that a criminal background check and  
157 family care safety registry check are conducted for all members of the governing  
158 board of the charter schools or the incorporators of the charter school if initial  
159 directors are not named in the articles of incorporation, nor shall a sponsor renew  
160 a charter without ensuring a criminal background check and family care safety

161 registry check are conducted for each member of the governing board of the  
162 charter school.

163       **[15.] 10.** No member of the governing board of a charter school shall hold  
164 any office or employment from the board or the charter school while serving as  
165 a member, nor shall the member have any substantial interest, as defined in  
166 section 105.450, in any entity employed by or contracting with the board. No  
167 board member shall be an employee of a company that provides substantial  
168 services to the charter school. All members of the governing board of the charter  
169 school shall be considered decision-making public servants as defined in section  
170 105.450 for the purposes of the financial disclosure requirements contained in  
171 sections 105.483, 105.485, 105.487, and 105.489.

172       **[16.] 11.** A sponsor shall develop the policies and procedures for:

173       (1) The review of a charter school proposal including an application that  
174 provides sufficient information for rigorous evaluation of the proposed charter and  
175 provides clear documentation that the education program and academic program  
176 are aligned with the state standards and grade-level expectations, and provides  
177 clear documentation of effective governance and management structures, and a  
178 sustainable operational plan;

179       (2) The granting of a charter;

180       (3) The performance contract that the sponsor will use to evaluate the  
181 performance of charter schools. Charter schools shall meet current state  
182 academic performance standards as well as other standards agreed upon by the  
183 sponsor and the charter school in the performance contract;

184       (4) The sponsor's intervention, renewal, and revocation policies, including  
185 the conditions under which the charter sponsor may intervene in the operation  
186 of the charter school, along with actions and consequences that may ensue, and  
187 the conditions for renewal of the charter at the end of the term, consistent with  
188 subsections 8 and 9 of section 160.405;

189       (5) Additional criteria that the sponsor will use for ongoing oversight of  
190 the charter; and

191       (6) Procedures to be implemented if a charter school should close,  
192 consistent with the provisions of subdivision (15) of subsection 1 of section  
193 160.405.

194 The department shall provide guidance to sponsors in developing such policies  
195 and procedures.

196       **[17.] 12.** (1) A sponsor shall provide timely submission to the state board

197 of education of all data necessary to demonstrate that the sponsor is in material  
198 compliance with all requirements of sections 160.400 to 160.425 and section  
199 167.349. The state board of education shall ensure each sponsor is in compliance  
200 with all requirements under sections 160.400 to 160.425 and 167.349 for each  
201 charter school sponsored by any sponsor. The state board shall notify each  
202 sponsor of the standards for sponsorship of charter schools, delineating both what  
203 is mandated by statute and what best practices dictate. The state board shall  
204 evaluate sponsors to determine compliance with these standards every three  
205 years. The evaluation shall include a sponsor's policies and procedures in the  
206 areas of charter application approval; required charter agreement terms and  
207 content; sponsor performance evaluation and compliance monitoring; and charter  
208 renewal, intervention, and revocation decisions. Nothing shall preclude the  
209 department from undertaking an evaluation at any time for cause.

210 (2) If the department determines that a sponsor is in material  
211 noncompliance with its sponsorship duties, the sponsor shall be notified and  
212 given reasonable time for remediation. If remediation does not address the  
213 compliance issues identified by the department, the commissioner of education  
214 shall conduct a public hearing and thereafter provide notice to the charter  
215 sponsor of corrective action that will be recommended to the state board of  
216 education. Corrective action by the department may include [withholding the  
217 sponsor's funding and] suspending the sponsor's authority to sponsor a **charter**  
218 school that it currently sponsors or to sponsor any additional school until the  
219 sponsor is reauthorized by the state board of education under section 160.403.

220 (3) The charter sponsor may, within thirty days of receipt of the notice of  
221 the commissioner's recommendation, provide a written statement and other  
222 documentation to show cause as to why that action should not be taken. Final  
223 determination of corrective action shall be determined by the state board of  
224 education based upon a review of the documentation submitted to the department  
225 and the charter sponsor.

226 (4) If the state board removes the authority to sponsor a currently  
227 operating charter school under any provision of law, the [Missouri charter public  
228 school commission] **state board** shall become the sponsor of the school **for the**  
229 **remainder of the term of the charter contract, and the state board shall**  
230 **not be authorized to renew the contract.**

231 [18.] **13.** If a sponsor notifies a charter school of closure [under  
232 subsection 8 of section 160.405], the department of elementary and secondary

233 education shall exercise its financial withholding authority under subsection [12]  
234 **9** of section 160.415 to assure all obligations of the charter school shall be  
235 met. The state[, charter sponsor, or resident] **and the sponsoring** district shall  
236 not be liable for any outstanding liability or obligations of the charter school.

160.403. [1.] The department of elementary and secondary education  
2 shall [establish an annual application and approval process for all entities  
3 eligible to sponsor charters as set forth in section 160.400 which are not  
4 sponsoring a charter school as of August 28, 2012, except that the Missouri  
5 charter public school commission shall not be required to undergo the application  
6 and approval process. No later than November 1, 2012, the department shall  
7 make available information and guidelines for all eligible sponsors concerning the  
8 opportunity to apply for sponsoring authority under this section.

9 2. The application process for sponsorship shall require each interested  
10 eligible sponsor, except for the Missouri charter public school commission, to  
11 submit an application by February first that includes the following:

12 (1) Written notification of intent to serve as a charter school sponsor in  
13 accordance with sections 160.400 to 160.425 and section 167.349;

14 (2) Evidence of the applicant sponsor's budget and personnel capacity;

15 (3) An outline of the request for proposal that the applicant sponsor  
16 would, if approved as a charter sponsor, issue to solicit charter school applicants  
17 consistent with sections 160.400 to 160.425 and section 167.349;

18 (4) The performance contract that the applicant sponsor would, if  
19 approved as a charter sponsor, use to evaluate the charter schools it sponsors;  
20 and

21 (5) The applicant sponsor's renewal, revocation, and nonrenewal processes  
22 consistent with section 160.405.

23 3. By April first of each year, the department shall decide whether to  
24 grant or deny a sponsoring authority to a sponsor applicant. This decision shall  
25 be made based on the applicant sponsor's compliance with sections 160.400 to  
26 160.425 and section 167.349 and properly promulgated rules of the department.

27 4. Within thirty days of the department's decision, the department shall  
28 execute a renewable sponsoring contract with each entity it has approved as a  
29 sponsor. The term of each authorizing contract shall be six years and renewable.]  
30 **exercise sponsorship oversight and monitoring to ensure that local**  
31 **school districts only sponsor charter schools that meet the criteria**  
32 **specified in sections 160.400 to 160.425 and do so by way of a procedure**

33 **that complies with the process outlined in sections 160.400 to 160.425.**

160.405. 1. A person, group or organization seeking to establish a charter  
2 school shall submit the proposed charter, as provided in this section, to [a  
3 sponsor. If the sponsor is not a school board, the applicant shall give a copy of  
4 its application to the school board of the district in which the charter school is to  
5 be located and to the state board of education, within five business days of the  
6 date the application is filed with the proposed sponsor. The school board may file  
7 objections with the proposed sponsor, and, if a charter is granted, the school  
8 board may file objections with the state board of education] **the local school  
9 board, or the special administrative board in the case that the state  
10 board has established a special administrative board for the  
11 district.** The charter shall include a [legally binding performance] contract that  
12 describes the obligations and responsibilities of the school [and the sponsor as  
13 outlined in sections 160.400 to 160.425 and section 167.349 and shall address the  
14 following] **to provide students with a free, accessible, non-sectarian,  
15 quality education that is delivered subject to the same basic safeguards  
16 and standards as other district schools, including compliance with:**

17 [(1) A mission and vision statement for the charter school;

18 (2) A description of the charter school's organizational structure and  
19 bylaws of the governing body, which will be responsible for the policy, financial  
20 management, and operational decisions of the charter school, including the nature  
21 and extent of parental, professional educator, and community involvement in the  
22 governance and operation of the charter school;

23 (3) A financial plan for the first three years of operation of the charter  
24 school including provisions for annual audits;

25 (4) A description of the charter school's policy for securing personnel  
26 services, its personnel policies, personnel qualifications, and professional  
27 development plan;

28 (5) A description of the grades or ages of students being served;

29 (6) The school's calendar of operation, which shall include at least the  
30 equivalent of a full school term as defined in section 160.011;

31 (7) A description of the charter school's pupil performance standards and  
32 academic program performance standards, which shall meet the requirements of  
33 subdivision (6) of subsection 4 of this section. The charter school program shall  
34 be designed to enable each pupil to achieve such standards and shall contain a  
35 complete set of indicators, measures, metrics, and targets for academic program

36 performance, including specific goals on graduation rates and standardized test  
37 performance and academic growth;

38 (8) A description of the charter school's educational program and  
39 curriculum;

40 (9) The term of the charter, which shall be five years and may be renewed;

41 (10) Procedures, consistent with the Missouri financial accounting  
42 manual, for monitoring the financial accountability of the charter, which shall  
43 meet the requirements of subdivision (4) of subsection 4 of this section;

44 (11) Preopening requirements for applications that require that charter  
45 schools meet all health, safety, and other legal requirements prior to opening;

46 (12) A description of the charter school's policies on student discipline and  
47 student admission, which shall include a statement, where applicable, of the  
48 validity of attendance of students who do not reside in the district but who may  
49 be eligible to attend under the terms of judicial settlements and procedures that  
50 ensure admission of students with disabilities in a nondiscriminatory manner;

51 (13) A description of the charter school's grievance procedure for parents  
52 or guardians;

53 (14) A description of the agreement and time frame for implementation  
54 between the charter school and the sponsor as to when a sponsor shall intervene  
55 in a charter school, when a sponsor shall revoke a charter for failure to comply  
56 with subsection 8 of this section, and when a sponsor will not renew a charter  
57 under subsection 9 of this section;

58 (15) Procedures to be implemented if the charter school should close, as  
59 provided in subdivision (6) of subsection 16 of section 160.400 including:

60 (a) Orderly transition of student records to new schools and archival of  
61 student records;

62 (b) Archival of business operation and transfer or repository of personnel  
63 records;

64 (c) Submission of final financial reports;

65 (d) Resolution of any remaining financial obligations;

66 (e) Disposition of the charter school's assets upon closure; and

67 (f) A notification plan to inform parents or guardians of students, the local  
68 school district, the retirement system in which the charter school's employees  
69 participate, and the state board of education within thirty days of the decision to  
70 close;

71 (16) A description of the special education and related services that shall

72 be available to meet the needs of students with disabilities; and

73 (17) For all new or revised charters, procedures to be used upon closure  
74 of the charter school requiring that unobligated assets of the charter school be  
75 returned to the department of elementary and secondary education for their  
76 disposition, which upon receipt of such assets shall return them to the local  
77 school district in which the school was located, the state, or any other entity to  
78 which they would belong.

79 Charter schools operating on August 27, 2012, shall have until August 28, 2015,  
80 to meet the requirements of this subsection.]

81 **(1) Open meetings and public record laws;**

82 **(2) Prohibitions against for-profit operation or profiteering as**  
83 **enforced by conflict of interest, financial disclosure and auditing**  
84 **requirements;**

85 **(3) The same civil rights, including constitutional rights and**  
86 **federal and state laws relating to employment, health, labor, safety,**  
87 **staff qualification, certification requirements, and protections for**  
88 **students with disabilities as other district schools; and**

89 **(4) The same standards of accreditation, accountability, and**  
90 **academic assessment and performance as other district schools.**

91 **The term of the charter shall not exceed five years.**

92 2. Proposed charters shall be subject to the following requirements:

93 (1) A charter shall be submitted to the sponsor, and follow the sponsor's  
94 policies and procedures for review and granting of a charter approval[, and be  
95 approved by the state board of education by January thirty-first prior to the  
96 school year of the proposed opening date of the charter school];

97 (2) A charter may be approved [when the sponsor determines that the  
98 requirements of this section are met, determines that the applicant is sufficiently  
99 qualified to operate a charter school, and that the proposed charter is consistent  
100 with the sponsor's charter sponsorship goals and capacity. The sponsor's decision  
101 of approval or denial shall be made within ninety days of the filing of the  
102 proposed charter] **only if the sponsor determines the charter is both**

103 **necessary to meet the needs of students in the district and will meet**  
104 **those needs in a manner that improves the local public school system;**

105 **(3) Charter schools may be authorized or expanded only after a**  
106 **district has assessed the impact of the proposed charter school on local**  
107 **public school resources, programs and services, including the district's**

108 **operating and capital expenses, appropriate facility availability, the**  
109 **likelihood that the charter will prompt cutbacks or closures in local**  
110 **public schools, and consideration of whether other improvements in**  
111 **either educational program or school management, which may include**  
112 **reduced class sizes and community or magnet schools, would better**  
113 **serve the district's needs. The district shall also consider the impact**  
114 **of the charter on the racial, ethnic and socio-economic composition of**  
115 **schools and neighborhoods and on equitable access to quality services**  
116 **for all district students, including students with special needs and**  
117 **English language learners. The impact analysis shall be independent,**  
118 **developed with community input, and be written and publicly available.**

119 If the charter is denied, the proposed sponsor shall notify the applicant in writing  
120 as to the reasons for its denial and forward a copy to the state board of education  
121 within five business days following the denial;

122 (4) If a proposed charter is denied by a sponsor, the proposed charter may  
123 be submitted to the state board of education, along with the sponsor's written  
124 reasons for its denial. [If the state board determines that the applicant meets the  
125 requirements of this section, that the applicant is sufficiently qualified to operate  
126 the charter school, and that granting a charter to the applicant would be likely  
127 to provide educational benefit to the children of the district, the state board may  
128 grant a charter and act as sponsor of the charter school. The state board shall  
129 review the proposed charter and make a determination of whether to deny or  
130 grant the proposed charter within sixty days of receipt of the proposed charter,  
131 provided that any charter to be considered by the state board of education under  
132 this subdivision shall be submitted no later than March first prior to the school  
133 year in which the charter school intends to begin operations. The state board of  
134 education shall notify the applicant in writing as the reasons for its denial, if  
135 applicable; and

136 (5) The sponsor of a charter school shall give priority to charter school  
137 applicants that propose a school oriented to high-risk students and to the reentry  
138 of dropouts into the school system. If a sponsor grants three or more charters,  
139 at least one-third of the charters granted by the sponsor shall be to schools that  
140 actively recruit dropouts or high-risk students as their student body and address  
141 the needs of dropouts or high-risk students through their proposed mission,  
142 curriculum, teaching methods, and services. For purposes of this subsection, a  
143 "high-risk" student is one who is at least one year behind in satisfactory

144 completion of course work or obtaining high school credits for graduation, has  
145 dropped out of school, is at risk of dropping out of school, needs drug and alcohol  
146 treatment, has severe behavioral problems, has been suspended from school three  
147 or more times, has a history of severe truancy, is a pregnant or parenting teen,  
148 has been referred for enrollment by the judicial system, is exiting incarceration,  
149 is a refugee, is homeless or has been homeless sometime within the preceding six  
150 months, has been referred by an area school district for enrollment in an  
151 alternative program, or qualifies as high risk under department of elementary  
152 and secondary education guidelines. Dropout shall be defined through the  
153 guidelines of the school core data report. The provisions of this subsection do not  
154 apply to charters sponsored by the state board of education.] **The state board  
155 of education may only consider appeals of approvals or denials of  
156 charters on the grounds that the sponsor's process for approving a  
157 charter was not properly followed or that the approval or denial of a  
158 charter was arbitrary or illegal. If the state board of education  
159 determines, following a hearing on the appeal, that the sponsor's  
160 process for approving the charter was not properly followed or that the  
161 approval or denial of a charter was arbitrary or illegal, the state board  
162 may remand the application to the sponsor with specific instructions  
163 for correction of the sponsor's review pursuant to the sponsor's  
164 approval process.**

165           3. If a charter is approved by a sponsor, the charter application shall be  
166 submitted to the state board of education, along with a statement of finding by  
167 the sponsor that the application meets the requirements of sections 160.400 to  
168 160.425 and section 167.349 and a monitoring plan under which the charter  
169 sponsor shall **monitor and** evaluate the [academic performance, including  
170 annual performance reports, of students enrolled in the charter school. The state  
171 board of education shall approve or deny a charter application within sixty days  
172 of receipt of the application. The state board of education may deny a charter on  
173 grounds that the application fails to meet the requirements of sections 160.400  
174 to 160.425 and section 167.349 or that a charter sponsor previously failed to meet  
175 the statutory responsibilities of a charter sponsor. Any denial of a charter  
176 application made by the state board of education shall be in writing and shall  
177 identify the specific failures of the application to meet the requirements of  
178 sections 160.400 to 160.425 and section 167.349, and the written denial shall be  
179 provided within ten business days to the sponsor] **charter school.**

180 4. [A charter school shall, as provided in its charter:

181 (1) Be nonsectarian in its programs, admission policies, employment  
182 practices, and all other operations;

183 (2) Comply with laws and regulations of the state, county, or city relating  
184 to health, safety, and state minimum educational standards, as specified by the  
185 state board of education, including the requirements relating to student discipline  
186 under sections 160.261, 167.161, 167.164, and 167.171, notification of criminal  
187 conduct to law enforcement authorities under sections 167.115 to 167.117,  
188 academic assessment under section 160.518, transmittal of school records under  
189 section 167.020, the minimum amount of school time required under section  
190 171.031, and the employee criminal history background check and the family care  
191 safety registry check under section 168.133;

192 (3) Except as provided in sections 160.400 to 160.425 and as specifically  
193 provided in other sections, be exempt from all laws and rules relating to schools,  
194 governing boards and school districts;

195 (4) Be financially accountable, use practices consistent with the Missouri  
196 financial accounting manual, provide for an annual audit by a certified public  
197 accountant, publish audit reports and annual financial reports as provided in  
198 chapter 165, provided that the annual financial report may be published on the  
199 department of elementary and secondary education's internet website in addition  
200 to other publishing requirements, and provide liability insurance to indemnify the  
201 school, its board, staff and teachers against tort claims. A charter school that  
202 receives local educational agency status under subsection 6 of this section shall  
203 meet the requirements imposed by the Elementary and Secondary Education Act  
204 for audits of such agencies and comply with all federal audit requirements for  
205 charters with local educational agency status. For purposes of an audit by  
206 petition under section 29.230, a charter school shall be treated as a political  
207 subdivision on the same terms and conditions as the school district in which it is  
208 located. For the purposes of securing such insurance, a charter school shall be  
209 eligible for the Missouri public entity risk management fund pursuant to section  
210 537.700. A charter school that incurs debt shall include a repayment plan in its  
211 financial plan;

212 (5) Provide a comprehensive program of instruction for at least one grade  
213 or age group from early childhood through grade twelve, as specified in its  
214 charter;

215 (6) (a) Design a method to measure pupil progress toward the pupil

216 academic standards adopted by the state board of education pursuant to section  
217 160.514, establish baseline student performance in accordance with the  
218 performance contract during the first year of operation, collect student  
219 performance data as defined by the annual performance report throughout the  
220 duration of the charter to annually monitor student academic performance, and  
221 to the extent applicable based upon grade levels offered by the charter school,  
222 participate in the statewide system of assessments, comprised of the essential  
223 skills tests and the nationally standardized norm-referenced achievement tests,  
224 as designated by the state board pursuant to section 160.518, complete and  
225 distribute an annual report card as prescribed in section 160.522, which shall also  
226 include a statement that background checks have been completed on the charter  
227 school's board members, and report to its sponsor, the local school district, and  
228 the state board of education as to its teaching methods and any educational  
229 innovations and the results thereof. No] **Each** charter school shall be considered  
230 in the Missouri school improvement program review of the district in which it is  
231 located [for the resource or process standards of the program].

232       (b) For proposed high-risk or alternative charter schools, sponsors shall  
233 approve performance measures based on mission, curriculum, teaching methods,  
234 and services. Sponsors shall also approve comprehensive academic and  
235 behavioral measures to determine whether students are meeting performance  
236 standards on a different time frame as specified in that school's charter. Student  
237 performance shall be assessed comprehensively to determine whether a high-risk  
238 or alternative charter school has documented adequate student progress. Student  
239 performance shall be based on sponsor-approved comprehensive measures as well  
240 as standardized public school measures. Annual presentation of charter school  
241 report card data to the department of elementary and secondary education, the  
242 state board, and the public shall include comprehensive measures of student  
243 progress.

244       (c) Nothing in this subdivision shall be construed as permitting a charter  
245 school to be held to lower performance standards than other public schools within  
246 a district; however, the charter of a charter school may permit students to meet  
247 performance standards on a different time frame as specified in its charter. The  
248 performance standards for alternative and special purpose charter schools that  
249 target high-risk students as defined in subdivision (5) of subsection 2 of this  
250 section shall be based on measures defined in the school's performance contract  
251 with its sponsors;

252 (7) Comply with all applicable federal and state laws and regulations  
253 regarding students with disabilities, including sections 162.670 to 162.710, the  
254 Individuals with Disabilities Education Act (20 U.S.C. Section 1400) and Section  
255 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) or successor  
256 legislation;

257 (8) Provide along with any request for review by the state board of  
258 education the following:

259 (a) Documentation that the applicant has provided a copy of the  
260 application to the school board of the district in which the charter school is to be  
261 located, except in those circumstances where the school district is the sponsor of  
262 the charter school; and

263 (b) A statement outlining the reasons for approval or denial by the  
264 sponsor, specifically addressing the requirements of sections 160.400 to 160.425  
265 and 167.349.

266 5. (1) Proposed or existing high-risk or alternative charter schools may  
267 include alternative arrangements for students to obtain credit for satisfying  
268 graduation requirements in the school's charter application and  
269 charter. Alternative arrangements may include, but not be limited to, credit for  
270 off-campus instruction, embedded credit, work experience through an internship  
271 arranged through the school, and independent studies. When the state board of  
272 education approves the charter, any such alternative arrangements shall be  
273 approved at such time.

274 (2) The department of elementary and secondary education shall conduct  
275 a study of any charter school granted alternative arrangements for students to  
276 obtain credit under this subsection after three years of operation to assess  
277 student performance, graduation rates, educational outcomes, and entry into the  
278 workforce or higher education.

279 6.] 5. The charter of a charter school may be amended [at the request]  
280 **by mutual agreement** of the governing body of the charter school and [on the  
281 approval of] the sponsor. The sponsor and the governing board and staff of the  
282 charter school shall jointly review the school's performance, management and  
283 operations [during the first year of operation and then every other year after the  
284 most recent review or at any point where the operation or management of the  
285 charter school is changed or transferred to another entity, either public or  
286 private. The governing board of a charter school may amend the charter, if the  
287 sponsor approves such amendment, or the sponsor and the governing board may

288 reach an agreement in writing to reflect the charter school's decision to become  
289 a local educational agency. In such case the sponsor shall give the department  
290 of elementary and secondary education written notice no later than March first  
291 of any year, with the agreement to become effective July first. The department  
292 may waive the March first notice date in its discretion. The department shall  
293 identify and furnish a list of its regulations that pertain to local educational  
294 agencies to such schools within thirty days of receiving such notice] **as provided**  
295 **in the contract.**

296 [7. Sponsors shall annually review the charter school's compliance with  
297 statutory standards including:

298 (1) Participation in the statewide system of assessments, as designated  
299 by the state board of education under section 160.518;

300 (2) Assurances for the completion and distribution of an annual report  
301 card as prescribed in section 160.522;

302 (3) The collection of baseline data during the first three years of operation  
303 to determine the longitudinal success of the charter school;

304 (4) A method to measure pupil progress toward the pupil academic  
305 standards adopted by the state board of education under section 160.514; and

306 (5) Publication of each charter school's annual performance report.

307 8. (1) (a) A sponsor's policies shall give schools clear, adequate,  
308 evidence-based, and timely notice of contract violations or performance  
309 deficiencies and mandate intervention based upon findings of the state board of  
310 education of the following:

311 a. The charter school provides a high school program which fails to  
312 maintain a graduation rate of at least seventy percent in three of the last four  
313 school years unless the school has dropout recovery as its mission;

314 b. The charter school's annual performance report results are below the  
315 district's annual performance report results based on the performance standards  
316 that are applicable to the grade level configuration of both the charter school and  
317 the district in which the charter school is located in three of the last four school  
318 years; and

319 c. The charter school is identified as a persistently lowest achieving school  
320 by the department of elementary and secondary education.

321 (b)] **6.** A sponsor shall have a policy to revoke a charter during the  
322 charter term if there is[:

323 a.] clear evidence of underperformance [as demonstrated in the charter

324 school's annual performance report in three of the last four school years;] or

325 [b.] a violation of the law or the public trust that imperils students or  
326 public funds.

327 [(c)] A sponsor shall revoke a charter or take other appropriate remedial  
328 action[, which may include placing the charter school on probationary status for  
329 no more than twenty-four months, provided that no more than one designation  
330 of probationary status shall be allowed for the duration of the charter contract,  
331 at any time if the charter school commits a serious breach of one or more  
332 provisions of its charter or on any of the following grounds: failure to meet the  
333 performance contract as set forth in its charter, failure to meet generally accepted  
334 standards of fiscal management, failure to provide information necessary to  
335 confirm compliance with all provisions of the charter and sections 160.400 to  
336 160.425 and 167.349 within forty-five days following receipt of written notice  
337 requesting such information, or violation of law.

338 (2) The sponsor may place the charter school on probationary status to  
339 allow the implementation of a remedial plan, which may require a change of  
340 methodology, a change in leadership, or both, after which, if such plan is  
341 unsuccessful, the charter may be revoked.

342 (3) At least sixty days before acting to revoke a charter, the sponsor shall  
343 notify the governing board of the charter school of the proposed action in  
344 writing. The notice shall state the grounds for the proposed action. The school's  
345 governing board may request in writing a hearing before the sponsor within two  
346 weeks of receiving the notice.

347 (4) The sponsor of a charter school shall establish procedures to conduct  
348 administrative hearings upon determination by the sponsor that grounds exist to  
349 revoke a charter. Final decisions of a sponsor from hearings conducted pursuant  
350 to this subsection are subject to an appeal to the state board of education, which  
351 shall determine whether the charter shall be revoked.

352 (5) A termination shall be effective only at the conclusion of the school  
353 year, unless the sponsor determines that continued operation of the school  
354 presents a clear and immediate threat to the health and safety of the children.

355 (6) A charter sponsor shall make available the school accountability report  
356 card information as provided under section 160.522 and the results of the  
357 academic monitoring required under subsection 3 of this section] **as provided**  
358 **in the contract.**

359 [9. (1)] 7. A sponsor shall [take all reasonable steps necessary to] confirm

360 that each charter school sponsored by such sponsor is in material compliance and  
361 remains in material compliance with all material provisions of the charter and  
362 sections 160.400 to 160.425 and 167.349. Every charter school shall provide all  
363 information necessary to confirm ongoing compliance with all provisions of its  
364 charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its  
365 sponsor.

366           [(2) The sponsor's renewal process of the charter school shall be based on  
367 the thorough analysis of a comprehensive body of objective evidence and consider  
368 if:

369           (a) The charter school has maintained results on its annual performance  
370 report that meet or exceed the district in which the charter school is located  
371 based on the performance standards that are applicable to the grade-level  
372 configuration of both the charter school and the district in which the charter  
373 school is located in three of the last four school years;

374           (b) The charter school is organizationally and fiscally viable determining  
375 at a minimum that the school does not have:

376           a. A negative balance in its operating funds;

377           b. A combined balance of less than three percent of the amount expended  
378 for such funds during the previous fiscal year; or

379           c. Expenditures that exceed receipts for the most recently completed fiscal  
380 year;

381           (c) The charter is in compliance with its legally binding performance  
382 contract and sections 160.400 to 160.425 and section 167.349; and

383           (d) The charter school has an annual performance report consistent with  
384 a classification of accredited for three of the last four years and is fiscally viable  
385 as described in paragraph (b) of this subdivision. If such is the case, the charter  
386 school may have an expedited renewal process as defined by rule of the  
387 department of elementary and secondary education.

388           (3) (a) Beginning August first during the year in which a charter is  
389 considered for renewal, a charter school sponsor shall demonstrate to the state  
390 board of education that the charter school is in compliance with federal and state  
391 law as provided in sections 160.400 to 160.425 and section 167.349 and the  
392 school's performance contract including but not limited to those requirements  
393 specific to academic performance.

394           (b) Along with data reflecting the academic performance standards  
395 indicated in paragraph (a) of this subdivision, the sponsor shall submit a revised

396 charter application to the state board of education for review.

397 (c) Using the data requested and the revised charter application under  
398 paragraphs (a) and (b) of this subdivision, the state board of education shall  
399 determine if compliance with all standards enumerated in this subdivision has  
400 been achieved. The state board of education at its next regularly scheduled  
401 meeting shall vote on the revised charter application.

402 (d) If a charter school sponsor demonstrates the objectives identified in  
403 this subdivision, the state board of education shall renew the school's charter.

404 10.] 8. A school district may enter into a lease with a charter school for  
405 physical facilities.

406 [11.] 9. A governing board or a school district employee who has control  
407 over personnel actions shall not take unlawful reprisal against another employee  
408 at the school district because the employee is directly or indirectly involved in an  
409 application to establish a charter school. A governing board or a school district  
410 employee shall not take unlawful reprisal against an educational program of the  
411 school or the school district because an application to establish a charter school  
412 proposes the conversion of all or a portion of the educational program to a charter  
413 school. As used in this subsection, "unlawful reprisal" means an action that is  
414 taken by a governing board or a school district employee as a direct result of a  
415 lawful application to establish a charter school and that is adverse to another  
416 employee or an educational program.

417 [12.] 10. Charter school board members shall be subject to the same  
418 liability for acts while in office as if they were regularly and duly elected  
419 members of school boards in any other public school district in this state. The  
420 governing board of a charter school may participate, to the same extent as a  
421 school board, in the Missouri public entity risk management fund in the manner  
422 provided under sections 537.700 to 537.756.

423 [13.] 11. Any entity, either public or private, operating, administering,  
424 or otherwise managing a charter school shall be considered a quasi-public  
425 governmental body and subject to the provisions of sections 610.010 to 610.035.

426 [14.] 12. The chief financial officer of a charter school shall maintain:

427 (1) A surety bond in an amount determined by the sponsor to be adequate  
428 based on the cash flow of the school; or

429 (2) An insurance policy issued by an insurance company licensed to do  
430 business in Missouri on all employees in the amount of five hundred thousand  
431 dollars or more that provides coverage in the event of employee theft.

432 [15. The department of elementary and secondary education shall  
433 calculate an annual performance report for each charter school and shall publish  
434 it in the same manner as annual performance reports are calculated and  
435 published for districts and attendance centers.

436 16. The joint committee on education shall create a committee to  
437 investigate facility access and affordability for charter schools. The committee  
438 shall be comprised of equal numbers of the charter school sector and the public  
439 school sector and shall report its findings to the general assembly by December  
440 31, 2016.]

160.410. 1. A charter school shall enroll[:

2 (1) all pupils [resident] **residing** in the district in which it operates[;

3 (2) Nonresident pupils eligible to attend a district's school under an urban  
4 voluntary transfer program;

5 (3) Nonresident pupils who transfer from an unaccredited district under  
6 section 167.895, provided that the charter school is an approved charter school,  
7 as defined in section 167.895, and subject to all other provisions of section  
8 167.895;

9 (4) In the case of a charter school whose mission includes student drop-out  
10 prevention or recovery, any nonresident pupil from the same or an adjacent  
11 county who resides in a residential care facility, a transitional living group home,  
12 or an independent living program whose last school of enrollment is in the school  
13 district where the charter school is established, who submits a timely application;  
14 and

15 (5) In the case of a workplace charter school, any student eligible to  
16 attend under subdivision (1) or (2) of this subsection whose parent is employed  
17 in the business district, who submits a timely application, unless the number of  
18 applications exceeds the capacity of a program, class, grade level or building. The  
19 configuration of a business district shall be set forth in the charter and shall not  
20 be construed to create an undue advantage for a single employer or small number  
21 of employers], **as provided in the contract and subject to other**  
22 **requirements of law applicable to enrollment of students in the district;**  
23 **provided that charter schools operating under contracts in effect on the**  
24 **effective date of this act may enroll pupils as provided in the charter**  
25 **and contract in effect on the effective date of this act until the**  
26 **expiration of such contract.**

27 2. If capacity is insufficient to enroll all pupils who submit a timely

28 application, the charter school shall have an admissions process that assures all  
29 applicants of an equal chance of gaining admission and does not discriminate  
30 based on parents' ability to pay fees or tuition [except that:

31 (1) A charter school may establish a geographical area around the school  
32 whose residents will receive a preference for enrolling in the school, provided that  
33 such preferences do not result in the establishment of racially or  
34 socioeconomically isolated schools and provided such preferences conform to  
35 policies and guidelines established by the state board of education;

36 (2) A charter school may also give a preference for admission of children  
37 whose siblings attend the school or whose parents are employed at the school or  
38 in the case of a workplace charter school, a child whose parent is employed in the  
39 business district or at the business site of such school;

40 (3) Charter schools may also give a preference for admission to high-risk  
41 students, as defined in subdivision (5) of subsection 2 of section 160.405, when  
42 the school targets these students through its proposed mission, curriculum,  
43 teaching methods, and services;

44 (4) A charter school may also give a preference for admission to students  
45 who will be eligible for the free and reduced price lunch program in the upcoming  
46 school year].

47 3. A charter school shall not limit admission based on race, ethnicity,  
48 national origin, disability, income level, [except as allowed under subdivision (4)  
49 of subsection 2 of this section,] proficiency in the English language or athletic  
50 ability, but may limit admission to pupils within a given age group or grade  
51 level. Charter schools may limit admission based on gender only when the school  
52 is a single-gender school. [Students of a charter school who have been enrolled  
53 for a full academic year shall be counted in the performance of the charter school  
54 on the statewide assessments in that calendar year, unless otherwise exempted  
55 as English language learners. For purposes of this subsection, "full academic  
56 year" means the last Wednesday in September through the administration of the  
57 Missouri assessment program test without transferring out of the school and  
58 re-enrolling.]

59 4. A charter school shall make available for public inspection, and provide  
60 upon request, to the parent, guardian, or other custodian of any school-age pupil  
61 resident in the district in which the school is located the following information:

62 (1) The school's charter;

63 (2) The school's most recent annual report card published according to

64 section 160.522; **and**

65 (3) The results of background checks on the charter school's board  
66 members[]; and

67 (4) If a charter school is operated by a management company, a copy of  
68 the written contract between the governing board of the charter school and the  
69 educational management organization or the charter management organization  
70 for services. The charter school may charge reasonable fees, not to exceed the  
71 rate specified in section 610.026 for furnishing copies of documents under this  
72 subsection].

73 5. When a student attending a charter school who is a resident of the  
74 school district in which the charter school is located moves out of the boundaries  
75 of such school district, the student may complete the current semester and shall  
76 be considered a resident student. The student's parent or legal guardian shall  
77 be responsible for the student's transportation to and from the charter school.

78 6. If a change in school district boundary lines occurs under section  
79 162.223, 162.431, 162.441, or 162.451, or by action of the state board of education  
80 under section 162.081, including attachment of a school district's territory to  
81 another district or dissolution, such that a student attending a charter school  
82 prior to such change no longer resides in a school district in which the charter  
83 school is located, then the student may complete the current academic year at the  
84 charter school. The student shall be considered a resident student. The student's  
85 parent or legal guardian shall be responsible for the student's transportation to  
86 and from the charter school.

87 7. The provisions of sections 167.018 and 167.019 concerning foster  
88 children's educational rights are applicable to charter schools.

160.415. 1. For the purposes of calculation and distribution of state  
2 school aid under section 163.031, pupils enrolled in a charter school shall be  
3 included in the pupil enrollment of the school district within which each pupil  
4 resides. Each charter school shall report the names, addresses, and eligibility for  
5 free and reduced price lunch, special education, or limited English proficiency  
6 status, as well as eligibility for categorical aid, of pupils resident in a school  
7 district who are enrolled in the charter school to the school district in which those  
8 pupils reside. The charter school shall report the average daily attendance data,  
9 free and reduced price lunch count, special education pupil count, and limited  
10 English proficiency pupil count to the state department of elementary and  
11 secondary education. Each charter school shall promptly notify the state

12 department of elementary and secondary education and the pupil's school district  
13 when a student discontinues enrollment at a charter school.

14         2. [Except as provided in subsections 3 and 4 of this section, the] Aid  
15 payments for charter schools shall be as described in this subsection.

16         (1) A school district having one or more resident pupils attending a  
17 charter school shall pay to the charter school an annual amount equal to the  
18 product of the charter school's weighted average daily attendance and the state  
19 adequacy target, multiplied by the dollar value modifier for the district, plus local  
20 tax revenues per weighted average daily attendance from the incidental and  
21 teachers' funds in excess of the performance levy as defined in section 163.011  
22 plus all other state aid attributable to such pupils.

23         (2) The district of residence of a pupil attending a charter school shall also  
24 pay to the charter school any other federal or state aid that the district receives  
25 on account of such child.

26         (3) If the department overpays or underpays the amount due to the  
27 charter school, such overpayment or underpayment shall be repaid by the public  
28 charter school or credited to the public charter school in twelve equal payments  
29 in the next fiscal year.

30         (4) The amounts provided pursuant to this subsection shall be prorated  
31 for partial year enrollment for a pupil.

32         (5) A school district shall pay the amounts due pursuant to this subsection  
33 as the disbursal agent and no later than twenty days following the receipt of any  
34 such funds. The department of elementary and secondary education shall pay the  
35 amounts due when it acts as the disbursal agent within five days of the required  
36 due date.

37         3. [A workplace charter school shall receive payment for each eligible  
38 pupil as provided under subsection 2 of this section, except that if the student is  
39 not a resident of the district and is participating in a voluntary interdistrict  
40 transfer program, the payment for such pupils shall be the same as provided  
41 under section 162.1060.

42         4. A charter school that has declared itself as a local educational agency  
43 shall receive from the department of elementary and secondary education an  
44 annual amount equal to the product of the charter school's weighted average daily  
45 attendance and the state adequacy target, multiplied by the dollar value modifier  
46 for the district, plus local tax revenues per weighted average daily attendance  
47 from the incidental and teachers funds in excess of the performance levy as

48 defined in section 163.011 plus all other state aid attributable to such pupils. If  
49 a charter school declares itself as a local educational agency, the department of  
50 elementary and secondary education shall, upon notice of the declaration, reduce  
51 the payment made to the school district by the amount specified in this  
52 subsection and pay directly to the charter school the annual amount reduced from  
53 the school district's payment.

54         5. If a school district fails to make timely payments of any amount for  
55 which it is the disbursal agent, the state department of elementary and secondary  
56 education shall authorize payment to the charter school of the amount due  
57 pursuant to subsection 2 of this section and shall deduct the same amount from  
58 the next state school aid apportionment to the owing school district. If a charter  
59 school is paid more or less than the amounts due pursuant to this section, the  
60 amount of overpayment or underpayment shall be adjusted equally in the next  
61 twelve payments by the school district or the department of elementary and  
62 secondary education, as appropriate.] Any dispute between the school district and  
63 a charter school as to the amount owing to the charter school shall be resolved  
64 [by the department of elementary and secondary education, and the department's  
65 decision shall be the final administrative action for the purposes of review  
66 pursuant to chapter 536. During the period of dispute, the department of  
67 elementary and secondary education shall make every administrative and  
68 statutory effort to allow the continued education of children in their current  
69 public charter school setting] **as provided in the contract.**

70         [6.] 4. The charter school and a local school board may agree by contract  
71 for services to be provided by the school district to the charter school. The  
72 charter school may contract with any other entity for services. Such services may  
73 include but are not limited to food service, custodial service, maintenance,  
74 management assistance, curriculum assistance, media services and libraries,  
75 **provided that no charter school shall be operated by a management**  
76 **company or any entity other than the charter school board and its chief**  
77 **administrative officer**, and shall be subject to negotiation between the charter  
78 school and the local school board or other entity. Documented actual costs of such  
79 services shall be paid for by the charter school.

80         [7. In the case of a proposed charter school that intends to contract with  
81 an education service provider for substantial educational services or management  
82 services, the request for proposals shall additionally require the charter school  
83 applicant to:

84 (1) Provide evidence of the education service provider's success in serving  
85 student populations similar to the targeted population, including demonstrated  
86 academic achievement as well as successful management of nonacademic school  
87 functions, if applicable;

88 (2) Provide a term sheet setting forth the proposed duration of the service  
89 contract; roles and responsibilities of the governing board, the school staff, and  
90 the service provider; scope of services and resources to be provided by the service  
91 provider; performance evaluation measures and time lines; compensation  
92 structure, including clear identification of all fees to be paid to the service  
93 provider; methods of contract oversight and enforcement; investment disclosure;  
94 and conditions for renewal and termination of the contract;

95 (3) Disclose any known conflicts of interest between the school governing  
96 board and proposed service provider or any affiliated business entities;

97 (4) Disclose and explain any termination or nonrenewal of contracts for  
98 equivalent services for any other charter school in the United States within the  
99 past five years;

100 (5) Ensure that the legal counsel for the charter school shall report  
101 directly to the charter school's governing board; and

102 (6) Provide a process to ensure that the expenditures that the education  
103 service provider intends to bill to the charter school shall receive prior approval  
104 of the governing board or its designee.

105 **8.] 5.** A charter school may enter into contracts with community  
106 partnerships and state agencies acting in collaboration with such partnerships  
107 that provide services to children and their families linked to the school.

108 **[9.] 6.** A charter school shall be eligible for transportation state aid  
109 pursuant to section 163.161 and shall be free to contract with the local district,  
110 or any other entity, for the provision of transportation to the students of the  
111 charter school.

112 **[10.] 7. (1)** The proportionate share of state and federal resources  
113 generated by students with disabilities or staff serving them shall be paid in full  
114 to charter schools enrolling those students by their school district where such  
115 enrollment is through a contract for services described in this section. The  
116 proportionate share of money generated under other federal or state categorical  
117 aid programs shall be directed to charter schools serving such students eligible  
118 for that aid.

119 (2) A charter school shall provide the special services provided pursuant

120 to section 162.705 and may provide the special services pursuant to a contract  
121 with a school district or any provider of such services.

122 [11.] 8. A charter school may not charge tuition or impose fees that a  
123 school district is prohibited from charging or imposing, except that a charter  
124 school may receive tuition payments from districts in the same or an adjoining  
125 county for nonresident students who transfer to an approved charter school, as  
126 defined in section 167.895, from an unaccredited district.

127 [12.] 9. A charter school is authorized to incur debt in anticipation of  
128 receipt of funds. A charter school may also borrow to finance facilities and other  
129 capital items. A school district may incur bonded indebtedness or take other  
130 measures to provide for physical facilities and other capital items for charter  
131 schools that it sponsors or contracts with. Except as otherwise specifically  
132 provided in sections 160.400 to 160.425, upon the dissolution of a charter school,  
133 any liabilities of the corporation will be satisfied through the procedures of  
134 chapter 355. A charter school shall satisfy all its financial obligations within  
135 twelve months of notice from the sponsor of the charter school's closure [under  
136 subsection 8 of section 160.405]. After satisfaction of all its financial obligations,  
137 a charter school shall return any remaining state and federal funds to the  
138 department of elementary and secondary education for disposition [as stated in  
139 subdivision (17) of subsection 1 of section 160.405]. The department of  
140 elementary and secondary education may withhold funding at a level the  
141 department determines to be adequate during a school's last year of operation  
142 until the department determines that school records, liabilities, and reporting  
143 requirements, including a full audit, are satisfied.

144 [13.] 10. Charter schools shall not have the power to acquire property by  
145 eminent domain.

146 [14.] 11. The governing body of a charter school is authorized to accept  
147 grants, gifts or donations of any kind and to expend or use such grants, gifts or  
148 donations. A grant, gift or donation may not be accepted by the governing body  
149 if it is subject to any condition contrary to law applicable to the charter school or  
150 other public schools, or contrary to the terms of the charter.

160.417. 1. By October 1, 2012, and by each October first thereafter, the  
2 sponsor of each charter school shall review the information submitted on the  
3 report required by section 162.821 to identify charter schools experiencing  
4 financial stress. [The department of elementary and secondary education shall  
5 be authorized to obtain such additional information from a charter school as may

6 be necessary to determine the financial condition of the charter school. Annually,  
7 a listing of charter schools identified as experiencing financial stress according  
8 to the provisions of this section shall be provided to the governor, speaker of the  
9 house of representatives, and president pro tempore of the senate by the  
10 department of elementary and secondary education.

11 2. For the purposes of this section, a charter school shall be identified as  
12 experiencing financial stress if it:

13 (1) At the end of its most recently completed fiscal year:

14 (a) Has a negative balance in its operating funds; or

15 (b) Has a combined balance of less than three percent of the amount  
16 expended from such funds during the previous fiscal year;

17 (2) For the most recently completed fiscal year expenditures, exceeded  
18 receipts for any of its funds because of recurring costs; or

19 (3) Due to insufficient fund balances or reserves, incurred debt after  
20 January thirty-first and before July first during the most recently completed  
21 fiscal year in order to meet expenditures of the charter school.

22 3.] 2. The sponsor shall **promptly** notify [by November first] the  
23 governing board of the charter school identified as experiencing financial  
24 stress. Upon receiving the notification, the [governing board shall develop, or  
25 cause to have developed, and shall approve a budget and education plan on forms  
26 provided by the sponsor. The budget and education plan shall be submitted to  
27 the sponsor, signed by the officers of the charter school, within forty-five calendar  
28 days of notification that the charter school has been identified as experiencing  
29 financial stress. Minimally, the budget and education plan] **charter school and**  
30 **sponsor shall mutually agree to a revised budget and education plan**  
31 **that** shall:

32 (1) Give **competent** assurances that adequate educational services to  
33 students of the charter school shall continue uninterrupted for the remainder of  
34 the current school year and that the charter school can provide the minimum  
35 amount of school time required by section 171.031;

36 (2) Outline a procedure to be followed by the charter school to report to  
37 charter school patrons about the financial condition of the charter school; and

38 (3) Detail the expenditure reduction measures, revenue increases, or other  
39 actions to be taken by the charter school to address its condition of financial  
40 stress.

41 [4. Upon receipt and following review of any budget and education plan,

42 the sponsor may make suggestions to improve the plan. Nothing in sections  
43 160.400 to 160.425 or section 167.349 shall exempt a charter school from  
44 submitting a budget and education plan to the sponsor according to the provisions  
45 of this section following each such notification that a charter school has been  
46 identified as experiencing financial stress, except that the sponsor may permit a  
47 charter school's governing board to make amendments to or update a budget and  
48 education plan previously submitted to the sponsor.

49 5. The department may withhold any payment of financial aid otherwise  
50 due to the charter school until such time as the sponsor and the charter school  
51 have fully complied with this section.]

160.420. 1. Any school district in which charter schools may be  
2 established under sections 160.400 to 160.425 shall establish a uniform policy  
3 which provides that if a charter school offers to retain the services of an employee  
4 of a school district, and the employee accepts a position at the charter school, an  
5 employee at the employee's option may remain an employee of the district and the  
6 charter school shall pay to the district the district's full costs of salary and  
7 benefits provided to the employee. The district's policy shall provide that any  
8 teacher who accepts a position at a charter school and opts to remain an employee  
9 of the district retains such teacher's permanent teacher status and retains such  
10 teacher's seniority rights in the district for three years. The school district shall  
11 not be liable for any such employee's acts while an employee of the charter school.

12 2. A charter school [may] **shall** employ [noncertificated] **certificated**  
13 instructional personnel[; provided that no more than twenty percent of the  
14 full-time equivalent instructional staff positions at the school are filled by  
15 noncertificated personnel. All noncertificated instructional personnel shall be  
16 supervised by certificated instructional personnel. A charter school that has a  
17 foreign language immersion experience as its chief educational mission, as stated  
18 in its charter, shall not be subject to the twenty-percent requirement of this  
19 subsection but shall ensure that any teachers whose duties include instruction  
20 given in a foreign language have current valid credentials in the country in which  
21 such teacher received his or her training and shall remain subject to the  
22 remaining requirements of this subsection. The charter school shall ensure that  
23 all instructional employees of the charter school have experience, training and  
24 skills appropriate to the instructional duties of the employee, and the charter  
25 school shall ensure that a criminal background check and family care safety  
26 registry check are conducted for each employee of the charter school prior to the

27 hiring of the employee under the requirements of section 168.133. The charter  
28 school may not employ instructional personnel whose certificate of license to  
29 teach has been revoked or is currently suspended by the state board of  
30 education. Appropriate experience, training and skills of noncertificated  
31 instructional personnel shall be determined considering:

- 32 (1) Teaching certificates issued by another state or states;  
33 (2) Certification by the National Board for Professional Teaching  
34 Standards;  
35 (3) College degrees in the appropriate field;  
36 (4) Evidence of technical training and competence when such is  
37 appropriate; and  
38 (5) The level of supervision and coordination with certificated  
39 instructional staff] **under the same requirements applicable to**  
40 **instructional personnel of the district; provided that this subsection**  
41 **shall not apply to noncertificated personnel employed by a charter**  
42 **school under a contract in effect on the effective date of this act.**

43 3. Personnel employed by the charter school shall participate in the  
44 retirement system of the school district in which the charter school is located,  
45 subject to the same terms, conditions, requirements and other provisions  
46 applicable to personnel employed by the school district. For purposes of  
47 participating in the retirement system, the charter school shall be considered to  
48 be a public school within the school district, and personnel employed by the  
49 charter school shall be public school employees. In the event of a lapse of the  
50 school district's corporate organization as described in subsections 1 and 4 of  
51 section 162.081, personnel employed by the charter school shall continue to  
52 participate in the retirement system and shall do so on the same terms,  
53 conditions, requirements and other provisions as they participated prior to the  
54 lapse.

160.425. 1. The "Missouri Charter Public School Commission" is hereby  
2 created with the authority to sponsor high quality charter schools throughout the  
3 state of Missouri.

4 2. The commission shall consist of nine members appointed by the  
5 governor, by and with the advice and consent of the senate. No more than five  
6 of the members shall be of the same political party. No more than two members  
7 shall be from the same congressional district. The term of office of each member  
8 shall be four years, except those of the members first appointed, of which three

9 shall be appointed for a term of one year, two for a term of two years, two for a  
10 term of three years, and two for a term of four years. At the expiration of the  
11 term of each member, the governor, by and with the advice and consent of the  
12 senate, shall appoint a successor.

13 3. The appointees to the commission shall be selected as follows:

14 (1) One member selected by the governor from a slate of three  
15 recommended by the commissioner of education;

16 (2) One member selected by the governor from a slate of three  
17 recommended by the commissioner of higher education;

18 (3) One member selected by the governor from a slate of three  
19 recommended by the president pro tempore of the senate;

20 (4) One member selected by the governor from a slate of three  
21 recommended by the speaker of the house of representatives; and

22 (5) Five additional members appointed by the governor, one of whom shall  
23 be selected from a slate of three nominees recommended by the Missouri School  
24 Boards Association.

25 4. Members appointed to the commission shall collectively possess strong  
26 experience and expertise in governance, management and finance, school  
27 leadership, assessment, curriculum and instruction, and education law. All  
28 members of the commission shall have demonstrated understanding of and  
29 commitment to charter schooling as a strategy for strengthening public education.

30 5. The commission shall annually elect a chairperson and vice  
31 chairperson, who shall act as chairperson in his or her absence. The commission  
32 shall meet at the call of the chairperson. The chairperson may call meetings at  
33 such times as he or she deems advisable and shall call a meeting when requested  
34 to do so by three or more members of the commission. Members of the  
35 commission are not eligible to receive compensation.

36 6. The commission may approve proposed charters for its sponsorship  
37 under sections 160.400 to 160.425 and shall:

38 (1) Comply with all of the requirements applicable to sponsors under  
39 sections 160.400 to 160.425;

40 (2) Exercise sponsorship over charters approved by the commission under  
41 sections 160.400 to 160.425, including receipt of sponsorship funding under  
42 subsection 11 of section 160.400.

43 7. Charter schools sponsored by the commission shall comply with all of  
44 the requirements applicable to charter schools under sections 160.400 to 160.425.

45 8. The commission shall conduct its business in accordance with chapter  
46 610.

47 9. The department of elementary and secondary education shall provide  
48 start-up funding for the commission to operate. The commission shall reimburse  
49 the department's costs from any funds it receives as sponsor under section  
50 160.400.

51 10. The commission is authorized to receive and expend gifts, grants, and  
52 donations of any kind from any public or private entity to carry out the purposes  
53 of sections 160.400 to 160.425, subject to the terms and conditions under which  
54 they are given, provided that all such terms and conditions are permissible under  
55 law.

56 **11. The commission shall not approve any charter for**  
57 **sponsorship on or after the effective date of this act.**

58 **12. The commission shall not renew any charter contract on or**  
59 **after the effective date of this act.**

60 **13. The commission shall be abolished as of thirty days following**  
61 **the date of the last expiration of existing charter contracts effective on**  
62 **the effective date of this act for charter schools sponsored by the**  
63 **commission on the effective date of this act.**

[160.408. 1. For purposes of this section, "high-quality  
2 charter school" means a charter school operating in the state of  
3 Missouri that meets the following requirements:

4 (1) Receives eighty-five percent or more of the total points  
5 on the annual performance report for three out of the last four  
6 school years by comparing points earned to the points possible on  
7 the annual performance report for three of the last four school  
8 years;

9 (2) Maintains a graduation rate of at least eighty percent  
10 for three of the last four school years, if the charter school provides  
11 a high school program;

12 (3) Is in material compliance with its legally binding  
13 performance contract and sections 160.400 to 160.425 and section  
14 167.349; and

15 (4) Is organizationally and fiscally viable as described in  
16 paragraph (b) of subdivision (2) of subsection 9 of section 160.405.

17 2. Notwithstanding any other provision of law, high-quality

18 charter schools shall be provided expedited opportunities to  
19 replicate and expand into unaccredited districts, a metropolitan  
20 district, or an urban school district containing most or all of a home  
21 rule city with more than four hundred thousand inhabitants and  
22 located in more than one county. Such replication and expansion  
23 shall be subject to the following:

24 (1) The school seeking to replicate or expand shall submit  
25 its proposed charter to a proposed sponsor. The charter shall  
26 include a legally binding performance contract that meets the  
27 requirements of sections 160.400 to 160.425 and section 167.349;

28 (2) The sponsor's decision to approve or deny shall be made  
29 within sixty days of the filing of the proposed charter with the  
30 proposed sponsor;

31 (3) If a charter is approved by a sponsor, the charter  
32 application shall be filed with the state board of education with a  
33 statement of finding from the sponsor that the application meets  
34 the requirements of sections 160.400 to 160.425 and section  
35 167.349 and a monitoring plan under which the sponsor shall  
36 evaluate the academic performance of students enrolled in the  
37 charter school. Such filing shall be made by January thirty-first  
38 prior to the school year in which the charter school intends to begin  
39 operations.

40 3. The term of the charter for schools operating under this  
41 section shall be five years, and the charter may be renewed for  
42 terms of up to ten years. Renewal shall be subject to the provisions  
43 of paragraphs (a) to (d) of subdivision (3) of subsection 9 of section  
44 160.405.]

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